

2012 Henry County Property Tax Report with Comparison to 2011

Legislative Services Agency

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This report describes property tax changes in Henry County between 2011 and 2012. In 2012 tax changes in each county were affected most by local factors, such as changes in assessed values, deductions, levies, credits, and tax rates. In 2012, for the first time in years, tax bill changes were not affected by statewide policy changes. The big 2008 tax reform was fully phased in by 2011. There were some statewide trends. The effects of the Great Recession lingered in many counties, depressing assessed value growth. Taxes in rural counties were affected by a large increase in farmland assessed values.

In Henry County the average tax bill for all taxpayers decreased by 1.5%. This tax bill fall was mainly the result of the 3.0% decrease in the tax levy of all local government units. Henry County certified net assessed value increased slightly, by 0.3%. Homestead and agricultural net assessments increased. The fall in other residential and business assessments may have been a legacy of the recession. Falling levies and (slightly) rising net assessed values caused the average tax rate to fall, though rates rose in a majority of tax districts. Increased rates in districts where rates were already high caused an increase in tax cap credits as a percent of the levy, increasing slightly in 2012 by 1.4%.

	Average Change in Tax Bill, All Property	Total Levy, All Units	Certified Net Assessed Value	Tax Cap Credits % of Levy
2012	-1.5%	\$35,776,886	\$1,400,619,761	14.3%
Change		-3.0%	0.3%	1.4%
2011	-1.7%	\$36,893,294	\$1,396,947,730	12.9%

Homestead Property Taxes

Homestead property taxes decreased 4.3% on average in Henry County in 2012. Tax rates rose in a majority of Henry County tax districts, but rates in a few districts fell substantially, so the county average tax rate decreased by 3.3%. Local homestead credit rates fell slightly. The drop in the average tax rate accounts for the lower homestead tax bills. The percentage of homesteads at their tax caps rose slightly, from 8.8% in 2011 to 9.0% in 2012.

Net Tax Bill Changes - All Property Types

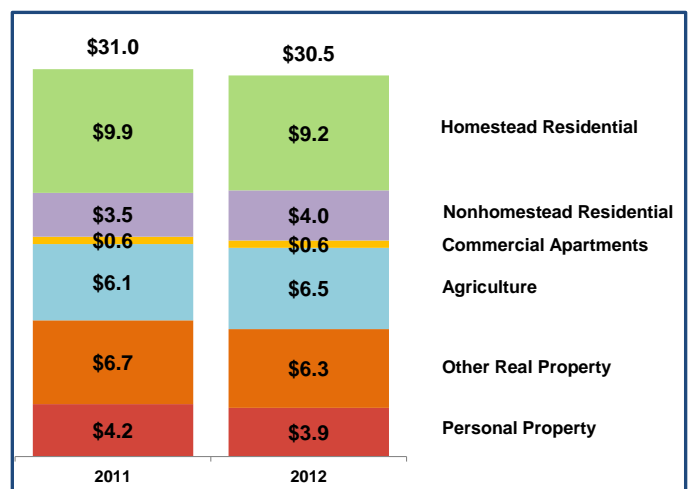
Most of Henry County's 2012 net property taxes were paid by business owners on their land and buildings (other real) and business equipment (personal), by homeowners, and by owners of agricultural property. Net tax bills decreased on homesteads, commercial apartments, and business property. Net taxes increased on agricultural property and nonhomestead residential property (mostly small rentals and second homes).

Comparable Homestead Property Tax Changes in Henry County

	2011 to 2012	
	Number of Homesteads	% Share of Total
Summary Change in Tax Bill		
Higher Tax Bill	4,591	33.0%
No Change	667	4.8%
Lower Tax Bill	8,657	62.2%
Average Change in Tax Bill	-4.3%	
Detailed Change in Tax Bill		
20% or More	529	3.8%
10% to 19%	360	2.6%
1% to 9%	3,702	26.6%
0%	667	4.8%
-1% to -9%	4,418	31.7%
-10% to -19%	2,731	19.6%
-20% or More	1,508	10.8%
Total	13,915	100.0%

Note: Percentages may not total due to rounding.

Comparison of Net Property Tax by Property Type (In Millions)



Tax Rates, Levies, and Assessed Values

Property tax rates increased in a majority of Henry County tax districts. Still, the average tax rate fell by 3.3%, because the levy fell while net assessed value increased slightly. Double-digit percentage reductions in tax rates in seven Henry County tax districts accounted for the fall in the average tax rate.

Levies in Henry County decreased by 3.0%. South Henry School Corporation had significant decreases in its bus replacement and debt service funds, and New Castle Schools saw reductions in its transportation and debt service funds. The largest levy increase was in the county unit, due to increases in the general fund and debt service fund.

Henry County's total net assessed value increased 2.5% in 2012. Agricultural net assessments rose 11.5%. The large increase in agricultural assessed value was due to the 16% increase in the base rate assessment of farmland, from \$1,290 to \$1,500 per acre for taxes in 2012. Declines in business and other residential assessments may have been a lingering effect of the Great Recession.

Property Type	Gross AV 2011	Gross AV 2012	Gross AV Change	Net AV 2011	Net AV 2012	Net AV Change
Homesteads	\$1,409,688,454	\$1,373,262,895	-2.6%	\$498,325,157	\$511,042,477	2.6%
Other Residential	184,230,302	178,085,833	-3.3%	183,027,167	177,036,911	-3.3%
Ag Business/Land	319,276,944	358,506,228	12.3%	318,713,660	355,242,558	11.5%
Business Real/Personal	577,086,170	568,591,662	-1.5%	436,759,164	429,725,408	-1.6%
Total	\$2,490,281,870	\$2,478,446,618	-0.5%	\$1,436,825,148	\$1,473,047,354	2.5%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Tax Cap (Circuit Breaker) Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

Total tax cap credits in Henry County were \$5.2 million, or 14.3% of the levy. This was more than the state average percentage of the levy of 9.2%, and much more than the median value of 3.2% among all counties. Tax rates are the main determinant of tax cap credits, and Henry County's tax rates were higher than the state average.

More than half of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 3% business category. The largest percentage losses were in the city of New Castle and the town of Shirley, where district tax rates were above \$4 per \$100 assessed value. The largest dollar losses were in New Castle, New Castle Schools, and the county unit.

Tax Cap Credits by Category

Tax cap credits increased in Henry County in 2012 by \$373,187, or 7.7%. The percentage of the levy lost to credits rose by 1.4%. There were no major changes in state policy to affect tax cap credits in 2012. Henry County credits increased mainly because tax rates rose in districts where rates were already high.

Tax Cap Category	2011	2012	Difference	% Change
1%	\$535,751	\$545,685	\$9,934	1.9%
2%	2,568,531	2,855,162	286,630	11.2%
3%	1,744,412	1,825,758	81,346	4.7%
Elderly	23,076	18,352	-4,723	-20.5%
Total	\$4,871,769	\$5,244,957	\$373,187	7.7%
% of Levy	12.9%	14.3%		1.4%

Henry County Levy Comparison by Taxing Unit

Taxing Unit						% Change			
						2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012
County Total	50,463,376	35,459,270	36,475,836	36,893,294	35,776,886	-29.7%	2.9%	1.1%	-3.0%
State Unit	42,820	0	0	0	0	-100.0%			
Henry County	11,279,478	8,358,171	8,496,714	8,799,373	9,615,253	-25.9%	1.7%	3.6%	9.3%
Blue River Township	32,087	32,241	33,061	33,676	34,425	0.5%	2.5%	1.9%	2.2%
Dudley Township	17,907	10,496	11,004	46,879	28,073	-41.4%	4.8%	326.0%	-40.1%
Fall Creek Township	65,068	65,454	66,984	67,813	69,041	0.6%	2.3%	1.2%	1.8%
Franklin Township	29,125	30,470	31,419	31,945	32,849	4.6%	3.1%	1.7%	2.8%
Greensboro Township	19,509	20,647	21,365	21,138	22,630	5.8%	3.5%	-1.1%	7.1%
Harrison Township	26,127	27,400	28,430	29,137	28,065	4.9%	3.8%	2.5%	-3.7%
Henry Township	488,030	511,348	531,605	545,304	215,628	4.8%	4.0%	2.6%	-60.5%
Jefferson Township	43,749	44,236	45,182	46,050	41,770	1.1%	2.1%	1.9%	-9.3%
Liberty Township	29,419	30,712	31,847	50,179	50,457	4.4%	3.7%	57.6%	0.6%
Prairie Township	124,798	111,293	103,702	86,890	38,554	-10.8%	-6.8%	-16.2%	-55.6%
Spiceland Township	37,913	37,814	38,769	39,304	40,778	-0.3%	2.5%	1.4%	3.8%
Stoney Creek Township	26,779	27,001	27,775	28,312	28,872	0.8%	2.9%	1.9%	2.0%
Wayne Township	60,864	90,682	100,382	99,983	106,280	49.0%	10.7%	-0.4%	6.3%
New Castle Civil City	6,766,360	6,726,932	6,926,725	7,210,549	7,154,051	-0.6%	3.0%	4.1%	-0.8%
Shirley Civil Town	50,327	57,090	56,636	58,797	58,020	13.4%	-0.8%	3.8%	-1.3%
Blountsville Civil Town	7,163	7,355	7,684	7,885	8,135	2.7%	4.5%	2.6%	3.2%
Cadiz Civil Town	3,665	3,811	3,955	4,058	4,188	4.0%	3.8%	2.6%	3.2%
Dunreith Civil Town	31,077	32,403	33,783	34,676	35,771	4.3%	4.3%	2.6%	3.2%
Greensboro Civil Town	7,715	7,708	8,418	8,639	8,913	-0.1%	9.2%	2.6%	3.2%
Kennard Civil Town	29,591	31,612	32,814	33,679	34,741	6.8%	3.8%	2.6%	3.2%
Knightstown Civil Town	382,860	360,154	372,759	381,745	393,163	-5.9%	3.5%	2.4%	3.0%
Lewisville Civil Town	31,102	30,222	32,489	33,334	34,402	-2.8%	7.5%	2.6%	3.2%
Middletown Civil Town	399,362	400,517	485,362	483,615	436,034	0.3%	21.2%	-0.4%	-9.8%
Mooreland Civil Town	25,351	25,720	27,126	27,803	27,782	1.5%	5.5%	2.5%	-0.1%
Mount Summit Civil Town	5,813	6,043	6,271	6,437	6,640	4.0%	3.8%	2.6%	3.2%
Spiceland Civil Town	54,038	55,835	45,318	53,135	54,841	3.3%	-18.8%	17.2%	3.2%
Springport Civil Town	12,481	12,978	13,472	13,825	14,265	4.0%	3.8%	2.6%	3.2%
Straughn Civil Town	18,849	19,165	19,808	20,312	20,841	1.7%	3.4%	2.5%	2.6%
Sulphur Springs Civil Town	20,436	21,752	22,563	23,057	23,738	6.4%	3.7%	2.2%	3.0%
Blue River Valley School Corp	2,960,533	1,821,487	1,905,726	1,910,622	1,913,133	-38.5%	4.6%	0.3%	0.1%
South Henry School Corp	2,704,826	2,037,411	1,882,152	2,387,441	1,582,960	-24.7%	-7.6%	26.8%	-33.7%
Shenandoah School Corp	4,809,476	2,627,023	3,041,633	2,114,586	2,133,176	-45.4%	15.8%	-30.5%	0.9%
New Castle Community School Corp	12,639,340	7,017,366	6,860,805	6,950,686	6,274,661	-44.5%	-2.2%	1.3%	-9.7%
Charles A. Beard Memorial School Corp	4,174,621	2,152,510	2,528,799	2,400,084	2,404,274	-48.4%	17.5%	-5.1%	0.2%
Union School Corp	463,391	227,337	218,583	228,685	216,467	-50.9%	-3.9%	4.6%	-5.3%
Nettle Creek School Corp	541,806	293,349	314,401	295,679	322,378	-45.9%	7.2%	-6.0%	9.0%
Knightstown Public Library	48,120	50,559	52,502	52,343	55,618	5.1%	3.8%	-0.3%	6.3%
Middletown-Fall Creek Twp Public Library	116,580	69,340	71,936	122,937	117,759	-40.5%	3.7%	70.9%	-4.2%
Spiceland Public Library	13,889	14,474	15,018	15,360	15,885	4.2%	3.8%	2.3%	3.4%
New Castle-Henry County Public Library	1,775,969	1,905,096	1,920,859	2,087,342	2,072,375	7.3%	0.8%	8.7%	-0.7%
Three Rivers Solid Waste Mgmt Dist	0	0	0	0	0				
Middletown Redevelopment Commission	0	0	0	0	0				
Henry County Redevelopment Commission	44,962	46,056	0	0	0	2.4%	-100.0%		

Henry County 2012 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates					Net Tax Rate, Homesteads
				COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
33001	Blue River Township	2.3662	--	--	6.3444%	--	--	--	2.2161
33002	Mooreland Town	3.0297	--	--	0.4473%	--	--	--	3.0161
33003	Dudley Township	1.8214	--	--	24.2630%	--	--	--	1.3795
33004	Straughn Town	2.3917	--	--	--	--	--	--	2.3917
33005	Fall Creek Township	1.6347	--	--	0.6756%	--	--	--	1.6237
33006	Middletown Town	2.3553	--	--	15.6471%	--	--	--	1.9868
33007	Franklin Township	1.8366	--	--	10.4735%	--	--	--	1.6442
33008	Lewisville Town	2.4427	--	--	1.8305%	--	--	--	2.3980
33009	Greensboro Township	2.2478	--	--	0.7044%	--	--	--	2.2320
33010	Shirley Town	4.1104	--	--	0.0101%	--	--	--	4.1100
33011	Greensboro Town	2.7959	--	--	--	--	--	--	2.7959
33012	Kennard Town	2.9204	--	--	0.3047%	--	--	--	2.9115
33013	Harrison Township	1.6203	--	--	30.7303%	--	--	--	1.1224
33014	Cadiz Town	1.8163	--	--	2.5660%	--	--	--	1.7697
33015	Henry Township	2.0317	--	--	42.0936%	--	--	--	1.1765
33016	New Castle City	4.0618	--	--	17.5815%	--	--	--	3.3477
33017	Jefferson Township	1.6618	--	--	2.6840%	--	--	--	1.6172
33018	Sulpher Springs Town	1.9766	--	--	15.8014%	--	--	--	1.6643
33019	West Liberty Township	2.0723	--	--	11.7214%	--	--	--	1.8294
33020	East Liberty Township	1.9996	--	--	3.8211%	--	--	--	1.9232
33021	Prairie Township	2.3178	--	--	4.2769%	--	--	--	2.2187
33022	Mount Summit Town	2.4012	--	--	0.8676%	--	--	--	2.3804
33023	Springport Town	2.9146	--	--	0.0084%	--	--	--	2.9144
33024	Spiceland Township	1.6875	--	--	16.1165%	--	--	--	1.4155
33025	Dunreith Town	3.0584	--	--	0.1319%	--	--	--	3.0544
33026	Spiceland Town	2.1071	--	--	2.5700%	--	--	--	2.0529
33027	Stoney Creek Township	1.7154	--	--	3.6714%	--	--	--	1.6524
33028	Blountsville Town	2.1502	--	--	12.8459%	--	--	--	1.8740
33029	Wayne Township	2.2843	--	--	14.6493%	--	--	--	1.9497
33030	Knightstown Town	3.2755	--	--	11.9064%	--	--	--	2.8855

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Henry County 2012 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	545,685	2,851,804	1,749,807	18,352	5,165,648	35,776,886	14.4%
<i>TIF Total</i>	0	3,357	75,951	0	79,308	1,023,315	7.8%
<i>County Total</i>	545,685	2,855,162	1,825,758	18,352	5,244,957	36,800,201	14.3%
Henry County	99,511	543,360	297,498	4,548	944,917	9,615,253	9.8%
Blue River Township	89	2,806	5	7	2,908	34,425	8.4%
Dudley Township	1	34	0	7	43	28,073	0.2%
Fall Creek Township	2	603	0	30	636	69,041	0.9%
Franklin Township	2	80	0	6	87	32,849	0.3%
Greensboro Township	281	1,475	140	10	1,907	22,630	8.4%
Harrison Township	0	0	0	12	12	28,065	0.0%
Henry Township	4,761	22,698	17,036	103	44,598	215,628	20.7%
Jefferson Township	0	0	0	18	18	41,770	0.0%
Liberty Township	0	485	0	33	517	50,457	1.0%
Prairie Township	535	1,807	0	28	2,369	38,554	6.1%
Spiceland Township	13	114	6	15	148	40,778	0.4%
Stoney Creek Township	0	15	0	3	18	28,872	0.1%
Wayne Township	645	7,002	1,087	44	8,779	106,280	8.3%
New Castle Civil City	235,733	1,112,971	843,518	4,324	2,196,545	7,154,051	30.7%
Shirley Civil Town	667	9,181	8,347	65	18,261	58,020	31.5%
Blountsville Civil Town	0	249	0	3	253	8,135	3.1%
Cadiz Civil Town	0	0	0	0	0	4,188	0.0%
Dunreith Civil Town	596	3,146	266	2	4,009	35,771	11.2%
Greensboro Civil Town	2	896	0	73	972	8,913	10.9%
Kennard Civil Town	552	3,763	0	95	4,410	34,741	12.7%
Knightstown Civil Town	6,144	48,470	13,419	208	68,240	393,163	17.4%
Lewisville Civil Town	49	2,419	0	0	2,468	34,402	7.2%
Middletown Civil Town	57	19,127	0	313	19,497	436,034	4.5%
Mooreland Civil Town	177	3,449	81	24	3,731	27,782	13.4%
Mount Summit Civil Town	21	261	0	6	288	6,640	4.3%
Spiceland Civil Town	0	715	0	44	760	54,841	1.4%
Springport Civil Town	202	1,179	0	0	1,380	14,265	9.7%
Straughn Civil Town	58	1,513	0	107	1,677	20,841	8.0%
Sulphur Springs Civil Town	0	0	0	28	28	23,738	0.1%
Blue River Valley School Corp	19,713	110,618	161	1,101	131,594	1,913,133	6.9%
South Henry School Corp	536	9,033	170	566	10,306	1,582,960	0.7%
Shenandoah School Corp	50	16,803	0	1,020	17,873	2,133,176	0.8%
New Castle Community School Corp	130,773	630,158	467,942	2,861	1,231,734	6,274,661	19.6%
Charles A. Beard Memorial School Corp	18,982	160,333	23,456	1,140	203,910	2,404,274	8.5%
Union School Corp	0	367	0	28	395	216,467	0.2%
Nettle Creek School Corp	0	0	0	406	406	322,378	0.1%
Knightstown Public Library	869	6,857	1,898	29	9,653	55,618	17.4%
Middletown-Fall Creek Twp Public Library	6	2,053	0	60	2,119	117,759	1.8%
Spiceland Public Library	10	92	5	7	113	15,885	0.7%
New Castle Public Library	0	0	0	0	0	0	
Henry County Contractual Library	0	0	0	0	0	0	
New Castle-Henry County Public Library	24,647	127,674	74,772	975	228,068	2,072,375	11.0%
Three Rivers Solid Waste Mgmt Dist	0	0	0	0	0	0	
Middletown Redevelopment Commission	0	0	0	0	0	0	
Henry County Redevelopment Commission	0	0	0	0	0	0	
TIF - Middletown	0	17	0	0	17	26,742	0.1%
TIF - Industrial Park	0	0	0	0	0	903	0.0%
TIF - Spiceland II	0	0	0	0	0	38,872	0.0%
TIF - Industrial Park	0	39	0	0	39	387,032	0.0%
TIF - New Castle NW	0	0	0	0	0	2,518	0.0%
TIF - Indiana Ave	0	0	182	0	182	695	26.1%
TIF - Industrial Park	0	0	24,484	0	24,484	93,661	26.1%
TIF - New Castle NW	0	1,028	32,072	0	33,100	138,777	23.9%
TIF - New Castle SE	0	2,274	19,213	0	21,487	81,985	26.2%
TIF - Spiceland II	0	0	0	0	0	113,589	0.0%
TIF - Spiceland	0	0	0	0	0	138,542	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.